Vermeer Global Fund

August 2022

VERMEER INVESTMENT MANAGEMENT

Investment Objective

The aim of the fund is to generate long term capital growth. The fund invests in a diversified portfolio of global equities that have an attractive growth potential. The portfolio will hold between 30 and 60 stocks.

Rolling Performance – Class A GBP

	1m	3m	6m	YTD
Class A	-0.06%	2.18%	-1.23%	-10.50%

	1 Year	3 Year	5 Year	ITD
Class A	-8.59%	26.71%	53.57%	82.91%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£54.5m
Estimated Yield	1.8%
No. of Holdings	57 holdings
Active Share	81.9%

Available Platforms:

7IM, AllFunds, Ascentric, Aviva for Advisors, Embark, FNZ, Hargreaves Lansdown, Novia, Pershing, Platform Securities, Raymond James, RBC, Rensburg, Succession, Transact, FundsNetwork, AJ Bell

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	182.905312
Class A3	0.25%	0.50%	£20million	136.382419
Class B	0.75%	1.00%	£5,000	164.589389
Class B1	0.75%	1.00%	$7,500	132.502335
Class C	0.75%	1.00%	£5,000	170.884150

**Ongoing Charge Fee*
Full explanation of the Fund's charges can be found on the KIID and the Costs & Charges sheet

Top 10 Stock Holdings

Stock	Weight
BP	4.83%
Apple	4.13%
Microsoft	4.00%
Oracle	3.35%
Novo-Nordisk	3.22%
Roche	3.09%
United Parcel Service	2.77%
Toyota Motor	2.61%
Keyence	2.59%
Amazon	2.54%
Cash	9.77%

Geographical Split

United States	43.10%
Europe	19.16%
United Kingdom	12.02%
Japan	11.06%
India	2.75%
Singapore	2.14%
Cash	9.77%

Sectors

Communication Services	6.74%
Consumer Discretionary	14.90%
Consumer Staples	5.48%
Energy	7.29%
Financials	2.94%
Healthcare	12.06%
Industrials	16.70%
Materials	2.91%
Technology	21.22%
Utilities	0.00%
Cash	9.77%

Monthly Performance Data – Class A GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2017	1.83%	3.16%	0.96%	-1.35%	5.19%	-1.18%	3.36%	3.97%	-2.29%	2.66%	0.39%	1.12%	18.99%
2018	1.29%	1.17%	-3.96%	2.87%	4.95%	-0.07%	1.07%	3.13%	0.03%	-7.61%	1.36%	-4.90%	-2.03%
2019	3.79%	2.40%	3.61%	2.88%	-1.43%	5.33%	5.12%	-1.75%	1.15%	-2.29%	3.84%	0.98%	25.90%
2020	-2.51%	-5.19%	-5.70%	7.56%	8.11%	2.63%	0.48%	3.82%	2.05%	-2.68%	6.76%	2.22%	17.60%
2021	-1.16%	-1.84%	2.60%	4.45%	0.01%	3.74%	2.10%	3.27%	-2.37%	2.87%	0.58%	1.11%	16.17%
2022	-7.19%	-2.36%	3.96%	-4.42%	-2.73%	-5.03%	7.65%	-0.06%					-10.50%

Following the strong rally in July, August was a more difficult month for global equities which were unable to sustain the momentum that initially carried on in the first few weeks of the month. Markets turned lower as investors fretted over the continued aggressive tightening of monetary policy by the Federal Reserve and other central banks around the world with the notable exception of China and Japan. The much anticipated Jackson Hole Symposium towards the end of August saw Fed Chair Jerome Powell speak for just 8 minutes to reiterate the need to continue raising interest rates into restrictive territory and more importantly, took away the possibility of a pivot to a looser strategy in the first half of 2023. Although this policy had been well flagged ahead of the symposium, it was a tipping point to send stocks sharply lower and having reached a level of 4,305 the S&P 500 fell back to below the 4,000 level at the end of the month. The Vermeer Global Fund was flat in August, in line with global markets.

The European economy is facing a very difficult winter as gas prices have ramped up to astonishing levels as a result in part of the loss of gas supplied by Russia. This has led to fears that the winter months will lead to power rationing for industry which will send the European economy into a serious recession. At the same time, the ECB is also determined to tighten interest rate policy despite materially different economic performance to the US where the economy, albeit slowing, appears to still be performing reasonably well.

Over August the top five contributors to return were BP, Cameco, DBS Group, UPS and Walt Disney. The top five detractors to return were Treatt, ASML, Rational, Nvidia and Oxford Instruments.

The power crisis saw some of our European industrial stocks hit hard, despite resilient results from the majority of positions in the sector. On the other hand, uranium miner Cameco saw its shares rise strongly in August on reports that Japan would be restarting nuclear power stations that have largely been closed since the tragic Fukushima disaster in March 2011 that was caused by the Tohoku earthquake and tsunami. We continue to believe that nuclear power is the logical energy source to help transition economies away from a reliance fossil fuels along with helping governments reach their aggressive carbon reduction targets.

Once again, we made very few changes to the portfolio over the month. Early in August we trimmed our position in wastewater solutions company Evoqua Water Technologies following a strong rebound in the shares. We continue to believe that the company is well positioned in many end markets with its technology to treat water contaminants such as PFAS likely to benefit from the recent passage of the US infrastructure bill. Towards the end of the month, we also trimmed our position in Japanese medical device company Olympus, which has been one of the best performing stocks in the portfolio this year. The company is currently being impacted by Chinese lockdowns and recently announced the sale of a non-core division for a higher than anticipated price of $3.1billion, further strengthening its balance sheet and highlighting the turnaround that has occurred under new management.

We are maintaining the cautious stance that we have adopted for most of the year to the equity market and still hold over 9% cash. Despite increasing our weighting to the Dollar this year, our overall position continues to negatively impact our relative performance. September is often a difficult month for equities, and for now we see stocks as rangebound between the lows set in June, where the S&P bottomed at around 3,666 and the 4,305 level which we saw in the early parts of August.